DEPARTMENT OF THE ARMY

OFFICE OF THE ASSISTANT CHIEF OF STAFF, G-2, INTELLIGENCE

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WASHINGTON 25, D. C.

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15 DEC 1954

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MEMORANDUM FOR: THE CHAIRMAN, INTELLIGENCE ADVISORY COMMITTEE

SUBJECT: Special Budget Analysis - FY 1956 (U)

Reference: IAC-D-77/4

The following amendments are proposed to the draft forwarded per reference TAC-D:

- 1. Page 3, para lc(4) -- Delete and substitute: "Interagency arrangements for effective exploitation of a wide variety of publications and materials."
 - 2. Page 3, last paragraph -- Delete.
- 3. Page 8, para 2 -- First three paragraphs: Delete and substitute the following:

"The several agencies' requests are adequate only to support minimum essential requirements. Certain personnel shortages continue to handicap the overt collection effort of the intelligence community. This deficiency is applicable particularly to the fields of publications procurement, agricultural reporting and Foreign Service peripheral reporting.

"At current staffing levels, overt Foreign Service reporting, though adequate to meet the minimum needs of the intelligence community, suffers from (1) the inability of officers, because of the pressure of their other duties, to travel sufficiently beyond post cities, (2) a serious dearth of information, and (3) insufficient analytical reporting."

4. Page 9, last paragraph in para 2. -- Delete and substitute the following:

"Improvement in overt military intelligence collection is dependent primarily upon an increase in the scope of all intelligence collection operations."

5. Page 10, para 3a, Economic Reporting -- Delete and substitute the following:

"There is still insufficient Washington coordination of economic intelligence requirements, and of the collection action instituted to

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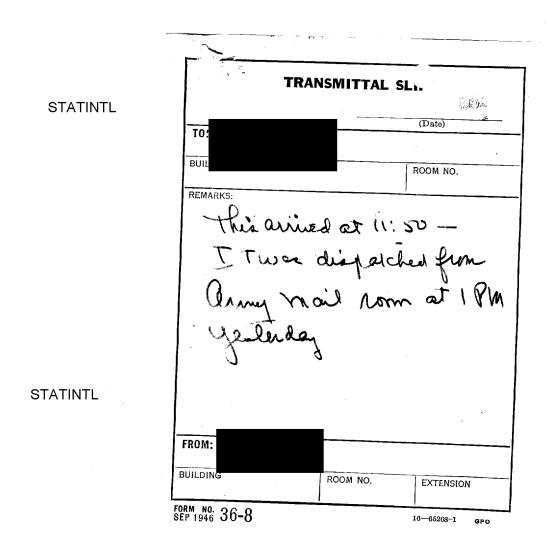
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service such requirements. As one specific step to correct this situation, the EIC has agreed on identification of priority gaps in collection needed to support research in such fields as Soviet armament, electronics, and transportation. Approved lists of the collection data required have been transmitted to the EIC Subcommittee on Requirements and Facilities for Collation to explore the possibilities of coordinated planning of implementing collection efforts.

- 6. Page 10, para 3b -- Delete.
- 7. Page 11, para 3c -- Delete all after first sentence.

ROBERT A. SCHOW
Major General, GS
Deputy G-2 (Fgn Opns)



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